

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, MAY 26, 2016 AT 2:00 P.M. IN THE ECUA BOARD ROOM AT
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL**

Members present: Lois Benson, Chairman
Dale Perkins, Vice Chairman
Vicki Campbell
Elvin McCorvey
Larry Walker

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Edie Brown, Sanitation Collection Manager
Debra Buckley, Director of Finance
Karen Cooley, Financial Services Manager
John Daane, Director of Information Technology
Tim Haag, Director of Government Affairs
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Jim Roberts, Public Information Officer
Randy Rudd, Deputy Executive Director-Shared
Services
Kim Scruggs, Human Resources Manager
Patricia Sheldon, Director of Budgets and Cash
Management
Cindy Sutherland, Director of Human Resources and
Administrative Services

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Board to order, Dr. Walker provided the invocation and led the Pledge of Allegiance.

ITEM 2 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:01 p.m.

ITEM 3 – ADOPTION OF AGENDA

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to adopt the agenda as presented.

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Ms. Campbell added the topic of "CAC information" under New Business.

Mr. Sorrell advised that the attachment to Item 9(j) was before the Board. Mr. Sorrell also added Item 12(a) – Retention of outside Counsel, to the agenda.

A substitute motion was made by Dr. Walker, seconded by Mr. McCorvey, to adopt the agenda as presented and amended.

The vote on the substitute motion carried 5-0. The vote on the motion as the main motion carried 5-0.

ITEM 4 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

There were no comments from the audience.

ITEM 6 - PRESENTATIONS

(a) **Presentation of Special Recognition Award for Hurey Smith**

Mr. McCorvey and Ms. Campbell presented a Special Recognition Award to the family of the late Hurey Smith for his service as a member of the ECUA Citizens' Advisory Committee.

(b) **Presentation of the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015 - by Saltmarsh, Cleaveland & Gund**

Representatives of Saltmarsh, Cleaveland & Gund provided an overview of the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2015, stating that once again ECUA has received the Certificate of Achievement for Excellence in Financial Reporting, making this 27 consecutive years. Further, there were no red flags noted that would indicate a deteriorating condition. ECUA has a received a very clean report.

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(c) IMRF equipment and project status

Staff provided a verbal report and video presentation of the project status of the recycling facility, indicating the facility should be operating in August. Further, the facility will be at capacity when the doors open.

ITEM 7 - APPROVAL OF MINUTES:

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of April 28, 2016 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 05/18/16

A motion was made by Mc. Campbell, seconded by Dr. Walker, to approve the following recommendations for Items F through M. Motion carried 5-0.

F. Purchase of Sodium Hypochlorite

Approve the purchase of sodium hypochlorite in totes from Water and Wastes Specialties as a sole source purchase, until the new chlorine delivery system is functional and larger bulk deliveries can be started, with funding from the appropriate budget line item.

G. Contract Extension – Fire Hydrants and Fire Hydrant Extensions

Approve the last of two optional one-year extensions which is based upon the mutual agreement of both parties, that there will not be an increase in the price originally bid by Consolidated Pipe & Supply, Milton, Florida, in May 2014, with funding from the appropriate budget line item.

H. Extension of unit pricing – water service renewals-change order no. 5

(1) Approve Change Order No. 5 to the contract for Water Service Renewals with Underground Solutions, LLC, in the amount of \$15,550, with funding utilized from CIP Project RW507T – Water Service Renewals; and (2) extend the unit pricing contained in the original contract through June 24, 2017, subject to subsequent funding.

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I. Purchase of Unleaded and Diesel/Bio-Diesel Fuel

Approve staff to utilize Escambia County's existing contract with Cougar Oil, Inc., Pensacola, FL, for the purchase of diesel fuel and unleaded gasoline, with funding provided in the appropriate budget line items for the remainder of fiscal year 2016 and fiscal year 2017.

J. Clarifier trough coating repairs – Central Water Reclamation Facility

Waive the bid requirement for the installation of the coating replacement for clarifiers one and two at the CWRP due to the nature of this equipment and approve the issuance of a purchase order to K2 Mansfield Industrial, Pensacola, FL, in the amount of \$152,200 [the lowest proposal], with funding from the appropriate budget line item.

K. Award of Bid – Lillian and Villa Backwash Tanks

Award the bid for construction of the Lillian and Villa Backwash Tanks to Vision Construction Ent., LLC, the lowest bidder, for the base bid in the total amount of \$272,900.02, with a funding through a transfer from RW001M - GAC Filter Vessel Maintenance to CIP Project RW001O in the amount of \$315,000.00 for the base bid and contingencies.

L. Interlocal Agreement with Santa Rosa County

Approve the Interlocal Agreement between the ECUA and Santa Rosa County to allow the ECUA, acting in conjunction with the MRF operator, to provide hauling, processing, and marketing services for single stream recyclables from Santa Rosa County, FL (including those recyclables ECUA currently collects from the geographical area in which ECUA presently provides residential services).

M. Group Benefits for Fiscal Year 2017 – Employee Benefits and Insurance

(A) affirmatively find the proposal submitted by Florida Blue to be non-responsive, and (B) approve the proposed benefits package described in the first option presented at a total estimated additional cost of \$200,000.00, and including the following plan components:

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- (1) approve renewal with FMIT as the medical insurer, and**
 - (a) offer two plan designs, one High Deductible Health Plan (HDHP) and one traditional Preferred Provider Organization (PPO) plan,**
 - (b) provide a portion of the employee-only premium for the two plans,**

Plan	Tier	ECUA Monthly Contribution
Plan 5 – HDHP	Employee Only	\$698.34
Plan 14 – PPO	Employee Only	\$716.48

- (c) provide a portion of the dependent premium for the two plans, and**

Plan	Tier	ECUA Monthly Contribution
Plan 5 – HDHP	Spouse	552.80
Plan 5 – HDHP	Child(ren)	427.97
Plan 5 – HDHP	Family	1,096.70
Plan 14 – PPO	Spouse	522.50
Plan 14 – PPO	Child(ren)	410.54
Plan 14 – PPO	Family	1,055.82

- (d) contribute \$850 of the employee deductible or \$1,275 of the family deductible into a health savings account (HSA) for each employee enrolled in the HDHP;**
- (2) accept the proposal submitted and change the dental insurer to TSIC, and**
 - (a) provide 100% of the employee only premium for the basic plan;**
- (3) accept the proposal submitted and change the life and disability insurer to TSIC, and**
 - (a) provide 100% of the cost for basic life and long-term disability coverage;**
- (4) accept the proposal submitted and change the vision insurer to TSIC; and**

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- (5) approve renewal with WageWorks as the flexible benefits administrator.

N. Fiscal year 2017 Capital Improvement Program Budget

No action taken on the budget.

O. Consideration of Options for Disposition – Navy Boulevard Property (for discussion)

Discussion only – no action taken.

ITEM 9 - OPERATIONAL ITEMS

(a) Auditing Services Engagement Letter

A motion was made by Mr. Perkins, seconded by Dr. Walker, to renew the current contract with SC&G for audit services and authorize the Executive Director to sign the proposed engagement letter with SC&G for the audit for the fiscal year ending September 30, 2016, with funding from the appropriate budget line item. Motion carried 5-0.

Chairman Benson suggested that next year the auditing services be placed out for bid.

(b) Residential structure located at 709 New York Drive, Pensacola, FL

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve and concur in the findings of the Executive Director that the residential structure on the property located at 709 New York Drive in Pensacola, Florida, is not necessary, useful, or profitable in the operation of the utility systems of ECUA and authorize its demolition. Motion carried 5-0.

(c) Adoption of Resolution 16-07

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to adopt Resolution 16-07 - A RESOLUTION FINDING THE STRUCTURE LOCATED AT 709 NEW YORK DRIVE IN PENSACOLA, FLORIDA TO BE NOT NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATION OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING ITS DEMOLITION; AND PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

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(d) Award of bid – Warrington fuel system replacement

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to (A) grant the request of Marina Utilities, Inc., to withdraw its bid based upon its affirmative findings that (1) Marina Utilities acted in good faith in submitting its bid; (2) its bid contained an error of such magnitude that enforcement of its bid would work severe financial hardship on it; (3) the error was not the result of gross negligence or willful inattention; and (4) upon discovering the error, Marina Utilities requested permission to withdraw its bid before ECUA had accepted it; and (B) reject all remaining bids, authorize the Executive Director to explore with our consultant team methods to reduce the overall cost of the project while maintaining its functionality, and rebid the project. Motion carried 5-0.

(e) Award of bid – Bio solids building water sealing

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to authorize award of the contract for the CWRf Bio solids Building Water Sealing Project to Larry Hall Construction, Inc., Pace, FL, the lowest responsive bidder, in the amount of \$278,020 with funding from CIP Project RS532, CWRf Building Water Sealing. Motion carried 5-0.

(f) Governmental Section 457(b) Deferred Compensation Plan amendments – Roth 457 (b) accounts

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to (a) approve the addition of a designated Roth account option to ECUA's governmental Section 457(b) Deferred Compensation plans with MassMutual Financial Group and VALIC Retirement Services Company; and (b) authorize the Executive Director to sign all documents relevant to adding a Roth account to both 457(b) plans. Motion carried 5-0.

(g) Sanitation Capital Improvement Program budget amendment

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the transfer of \$150,000 from the Sanitation Department unrestricted reserve fund to CIP Project RT604 – Container Replacement Residential, and \$250,000 to CIP Project CT603 – MRF Rolling Stock. Motion carried 5-0.

(h) Pensacola Beach reclaimed water system expansion – Grant amendment

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the grant amendment to NFWFMD Contract Number 15-086, which will

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establish up to \$947,000 in grant funding for the Pensacola Beach Reclaimed Water System Expansion project, and authorize the Executive Director to execute the amendment on behalf of the ECUA. Motion carried 5-0.

- (i) Emergency purchase and fund transfer – 2015 Doppstadt SM 720 Trommel Screen

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve confirmation of the emergency purchase and authorize the transfer of funds from the water/wastewater Project Contingency fund to CIP Project CS425B - Compost Equipment Project, in the amount of \$204,750.00 to complete the purchase of this unit. Motion carried 5-0.

- (j) Agreement with Escambia County – Innerarity Island water utility system

A motion was made by Dr. Walker, seconded by Ms. Campbell, to (1) approve the conceptual framework of the Interlocal Agreement, between ECUA and Escambia County relating to a potable water system improvement project for Innerarity Island; (2) authorize the Executive Director to finalize and execute the Interlocal Agreement within the conceptual framework authorized by the Board; and (3) initiate a CIP project for the Innerarity Island Water System Improvements, with a budget of \$600,000, through a transfer from Project Contingencies, and with the project expenses to be reimbursed by Escambia County. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

The following reports were presented for information only and did not require action.

- (a) Expenditures approved by the Executive Director – Bio solids Composting Canopy disassembly and transport

Mr. Sorrell also provided updates on the following:

- (a) Composting operation.
- (b) The canopy purchased from Gulf Shores, AL.
- (c) Northpoint Subdivision tornado damage trash pickup.

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- (d) A water quality letter that was sent out by an individual that contained mostly erroneous assertions.
- (e) Consumer Confidence Report – now available on line.
- (f) Test well(s) at the Central Water Reclamation Facility – results are looking very good.

ITEM 12 - ATTORNEY'S REPORT

- (a) Retention of outside Counsel – City of Pensacola v. ECUA, et al.

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to authorize the Executive Director to retain the law firm of Ausley McMullen, P.A. to represent ECUA in the case brought against it by the City of Pensacola in reference to the Airport North Well and Hagler Well. Motion carried 4-1 with Mr. Perkins voting against the motion.

(b) Mr. Odom reported that next month they would be bringing forward to the Board more agreements for acceptance of recycling materials for processing.

(c) Mr. Odom reported that a hearing is scheduled for Friday, May 27 regarding the North Hill case.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

- (a) CAC Information (Campbell)

Ms. Campbell stated that, as Chairman of the Citizens' Advisory Committee, she does not like having add-on items at the meetings. As such, the members are not provided adequate opportunity for review of the information prior to consideration of the item. Further, she would like for items to come to the Committee prior to going to the Board unless it is an emergency.

ITEM 15 - BOARD COMMUNICATIONS

None.

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ITEM 16 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Benson declared the meeting adjourned at approximately 3:30 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

- () Without corrections/amendments.
- () With corrections/amendments being: